DOCKET SECTION

Before The POSTAL RATE COMMISSION WASHINGTON, D.C. 20268–0001



Complaint of FCA, Ltd, d/b/a/ LIFE TIME FITNESS

Docket No. C98-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO PRC ORDER NO. 1224 REQUESTING SUPPLEMENTAL INFORMATION (January 8, 1999)

On December 17, 1998, the Postal Rate Commission issued Order No. 1224, requesting that the Postal Service provide supplemental information responsive to questions pertinent to its Answer (November 20, 1998) and its Motion To Dismiss (December 10, 1998) filed in this proceeding.

The questions in PRC Order No. 1224 are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux Chief Counsel Ratemaking

Michael T. Tidwell

Attorney

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268-2998/ FAX: -5402

Question No. 1.

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Please describe how and where the USPS Service Commitment software is made available to the public.

RESPONSE:

Written requests for copies of a quarterly Service Commitment software diskette can be submitted to the USPS National Customer Support Center (NCSC) at the address at the bottom the attachment to this response. The NCSC also provides copies in response to telephone inquiries directed to (800) 223-5866. Requests also may be submitted by facsimile at (901) 681-4521. Copies can be obtained by the public via e-mail requests directed to pboaz@email.usps.gov. Service commitment information reflected in the contents of the diskette also may be obtained from any authorized postal employee with access to the USPS Service Commitment Directory (SCD) database.

Service Commitment
Directory

User Guid

USPS RESPONSE TO PRC ORDER 1224
QUESTION NO. 1
ATTACHMENT



Overview

A service commitment is an expectation by the Postal Service to deliver a mailpiece to its intended destination within a prescribed number of days following proper deposit by a postal customer. The Service Commitment Directory (SCD) is a Corporate Information System (CIS) database that allows users to interactively review, analyze, and maintain USPS service commitments between all originating and destinating ZIP Code pairs for all classes of mail except Express Mail. SCD also allows users to produce customized SCD reports and data files for internal and external customers. The SCD is also used by internal and external USPS performance measurement systems. The Service Commitment Directory is updated quarterly.

Customers

The Service Commitment Directory's customers include the following:

- Origin-Destination Information System (ODIS)
- External First-Class Measurement System (EXFC)
- Statistical Program Analysis and Reporting System (SPARC)
- Priority End-to-End System (PETE)
- Service Commitment Maps, Executive Information System (EIS)
- Service Performance Library, Corporate Information System (CIS)
- Delivery Confirmation
- Integrated Retail Terminals (IRT)
- General Operations and Logistics Database (GOLD)
- National Customer Support Center, Memphis (NCSC)
- Sort Plan System (SPS)

User Assistance

All correspondence regarding the SCD application or requests to change your service commitments should be forwarded to

JOSEPH HARRIS, MANAGER
SERVICE MANAGEMENT POLICIES AND PROGRAMS
POSTAL HEADQUARTERS RM 6801
WASHINGTON DC 20260-1603

For user assistance and information, please call Glen D. Cournoyer at (202) 268-3636, or Edward Warnicke at (919) 786-2049. To acquire a copy of Service Commitment Mapping software or service commitment data files for use on your personal computer or other computer systems, write or call

PAMELA BOAZ
NATIONAL CUSTOMER SUPPORT CENTER
6060 PRIMACY PKWY STE 201
MEMPHIS TN 38188-0002
800-681-4424

Question No. 2.

In paragraph 3 of the Postal Service's Answer to the Complaint, the Postal Service states that it:

admits that its operational objective or delivery service commitment for Standard (A) Mail with the origin-destination characteristics of Complainant's mailing is to deliver each mail piece by either the second or third delivery service day after the day on which the mail was accepted by the Postal Service.

Answer of the United States Postal Service (October 20, 1998) at 3. The Postal Service further employs another term of art in its description of mail delivery practices: "service standard." Motion at 10.

- (a) Please explain what the Postal Service's "operational objective" is for Standard (A) Mail.
- (b) Please explain what the Postal Service's "service standard" is for Standard (A) Mail.
- (c) Please explain what the Postal Service's "service commitment" is for Standard (A) Mail.

RESPONSE:

The term "operational objective," as used in ¶ 3 of the Answer, is not intended as a postal term of art, but merely is used to express (redundantly, perhaps) that the Postal Service has Standard (A) Mail service standards/commitments that it strives to meet.

The term "service standard" is a postal term of art which, by virtue of its decades of widespread use within the Postal Service, is defined by the agency as

RESPONSE to Question No. 2 (page 2):

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"[a] stated goal for service achievement for each mail class." See Glossary of Postal Terms, USPS Publication 32 at 107 (May 1997). See also, ODIS: Origin-Destination Information System, USPS Publication 195, Appendix B at page 25 (February 1992), which defines "service standard" as "[a] service time established for delivery of correctly ZIP Coded mail based on mail preparation and receipt, mail processing operating plans, and transportation schedules between postal facilities."

The term "service commitment" is a term of more recent vintage. It is defined at page 3 of the USPS Service Commitment Directory (SCD) User Guide (see attachment to the response to Question No.1) as "an expectation by the Postal Service to deliver a mailpiece to its intended destination within a prescribed number of days following proper deposit by a postal customer." As indicated in that attachment, the SCD database is the origin of the service commitments which are reflected in USPS service commitment maps and which are relied upon by the USPS National Customer Support Center, which produces and distributes the diskette referenced in the Complaint in this proceeding.

Response to Question No. 2 (page 3):

The service commitment for a Standard (A) Mail piece is a measure of the number of days after the date on which that mail piece is accepted by the Postal Service until the date by which the Postal Service expects to deliver the piece. It is the level of service that the agency strives to provide, and which it apparently failed to provide with respect to a significant portion of the mailing which is at the heart of this proceeding. However, the Standard (A) Mail "service commitment" has never been represented by the Postal as a guarantee or a warranty of delivery within a specified time. The only postal service for which there is a guarantee of delivery within the published service commitment is Express Mail service, as indicated by the terms of Domestic Mail Classification Schedule §182 and Domestic Mail Manual §§ D500.1.1 through 1.4.

Depending on the origin and destination of the mail, the service commitment for a Standard (A) mailing can range from as few as two to three days after acceptance (when the mail is entered at the destination P&DC) to as many as 10 days from the day on which the mail is accepted by the Postal Service. There are approximately 930 3-digit ZIP Code areas in the United States and over 850,000 combinations of 3-digit ZIP Code area origin-destination pairs.

Response to Question No. 2 (page 4):

The specific service commitment for a Standard (A) mailing from one specific 3-digit area to another can be determined by utilizing the USPS Service Commitment diskette, USPS-LR-1/C98-1. Based upon the Complaint filed in this proceeding, the service commitment for the mailing in question would have been 2-3 days for mail destined within the service area of the St. Paul, Minnesota, Processing & Distribution Center, with additional days for any pieces destined outside that service area.

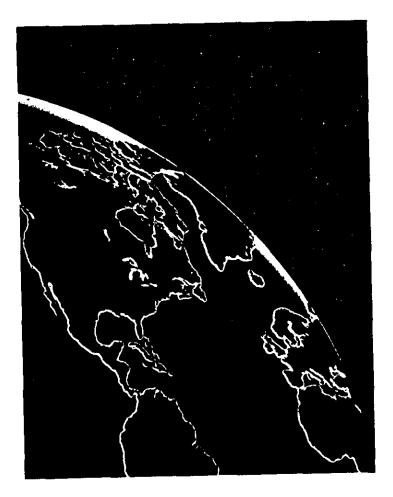
The use of the term "service commitment" as a synonym for "service standard" is reflected in USPS Publication 65, National Five-Digit ZIP Code and Post Office Directory, Volume 2 at page 10-3, beginning with the 1994 edition. (See Attachment A to this response, which permits a comparison of corresponding pages 10-3 of USPS Publication 65 for the years 1994 and 1993. (Page 10-3 of the 1998 edition of USPS Publication 65 is attached to the December 10, 1998, USPS Motion To Dismiss as Exhibit A and represents the general service commitments relevant to this proceeding.)

Response to Question No. 2 (page 5):

The term "service commitment" also has been used as a synonym for "service standard' in the USPS Origin-Destination Information System (ODIS), since the publication of the ODIS Quarterly Statistical Report for PQ 3, PFY 1995. (See Attachment B to this response, which permits a comparison with the PQ 2, PFY 1995 Report.)

Finally, it is noted that both terms (standard/commitment) were used in the USPS Docket No. R97-1 Request For A Recommended Decision On Changes In Rates Of Postage And Fees For Postal Services, Attachment G, Rule 54(n) Compliance Statement (Attachment C to this response).

National Five-Digit ZIP Code and Post Office Directory





Volume 2

Nebraska-Wyoming

USPS RESPONSE TO PRC ORDER 1224
QUESTION NO. 2

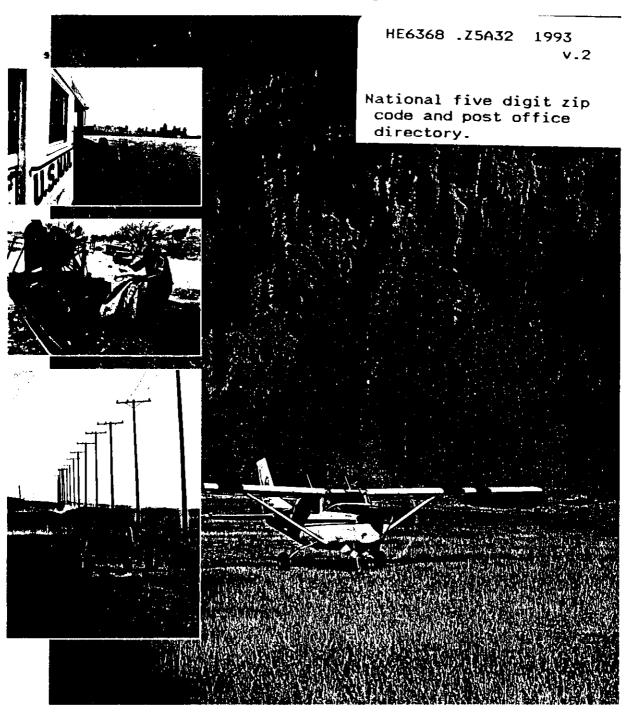
ATTACHMENT A

SERVICE COMMITMENTS (ZIP CODED MAIL ONLY)

	OVERNIGHT	OVERNIGHT REQUIREMENTS	2nd DAY	3rd F	4th DAY	5th DAY	6th DAY	7th	8th DAY	9th DAY	10th
EXPRESS MAIL NEXT DAY SERVICE	(SEE D	IRECTORY)									1 Mar. 1
FIRST CLASS	LOCALLY DESIGNATED CITIES AND SCF's	UP TO AND INCLUDING 5:00 P.M. COLLECTIONS	LOCALLY DESIGNATED AREAS	REMAINING OUTLYING AREAS						(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	
PRIORITY MAIL	DESIGNATED CITIES	STATED AT MAILING POST OFFICE	NATIONWIDE								
SURFACE PREFER- ENTIAL*	LOCALLY DESIGNATED CITIES AND SCF's	5:00 P.M. MAILINGS	300 MILES Zone 3	600 MILES Zone 4	1,000 MILES Zone 5	1,400 MILES	1,800 MILES Zone 7	OVER 1,800 MILES Zone 8			
BULK BUSINESS MAIL	AS DEVELOPED LOCALLY		INTRA-SCF (for 5:00 P.M. CARRIER PRESORTED MAILINGS)	DESIGNATED SCF'S AND NON- PRESORTED INTRA-SCF	UP TO 150 MILES Zone 2	300 MILES Zone 3	600 MILES Zone 4	1,000 MILES Zone 5	1,400 MILES ————————————————————————————————————	1,800 MILES	OVER 1,800 MILES Zone 8
PARCEL POST		SEE SEPARATE STANDARDS ISSUED FOR EACH BULK MAIL CENTER. This form is available at local Post Office.									

^{*} Includes 2nd class, special handling parcel post and special delivery

1993 NATIONAL FIVE-DIGIT ZIP CODE & POST OFFICE DIRECTORY



NEBRASKA – WYOMING VOLUME II

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SERVICE STANDARDS

(ZIP CODED MAIL ONLY)

	OVERNIGHT	OVERNIGHT. REQUIREMENTS	2nd DAY	3rd DAY	4th d	5th 3 DAY	6th DAY	7th DAY	8th DAY	2 9th 5 DAY 4	10th.i
EXPRESS MAIL NEXT DAY SERVICE	(SEE D	IRECTORY)		The state of the s			1824 1824 1844 1844 1844			100 Sept 100	
FIRST	LOCALLY DESIGNATED CITIES AND SCF's	UP TO AND INCLUDING 5:00 P.M. COLLECTIONS	LOCALLY DESIGNATED AREAS	REMAINING OUTLYING AREAS		e el	4 X 1 4 X 1			Topical the second of the seco	
PRIORITY MAIL	DESIGNATED CITIES	STATED AT MAILING POST OFFICE	NATIONWIDE								
SURFACE PREFER- ENTIAL*	LOCALLY DESIGNATED CITIES AND SCF's	5:00 P.M. MAILINGS	MILES Zone 3	600 MILES Zone 4	1,000 MILES Zone 5	1,400 MILES	1,800 MILES Zone 7	OVER 1,800 MILES Zone 8	्र १४७३/१८५ <u>(</u>		
BULK BUSINESS MAIL	AS DEVELOPED LOCALLY		INTRA-SCF (for 5:00 P.M. CARRIER ; PRESORTED MAILINGS)	DESIGNATED SCE'S AND NON- PRESORTED INTRA-SCF	UP TO 150 MILES Zone 2	300 MILES	600 MILES	1,000 MILES	1,400 MILES Zone 6	1,800 5 MILES Zone 7	OVER 1,800 MILES
PARCEL POST	W .	SEE SEPARATE STANDARDS ISSUED FOR EACH BULK MAIL CENTER.									

^{*} Includes 2nd class, special handling parcel post and special delivery.

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JUL 25 95 U.S. POSTAL SERVICE



ORIGIN-DESTINATION INFORMATION SYSTEM QUARTERLY STATISTICS REPORT POSTAL QUARTER III, PFY 1995 (MARCH 4, 1995 - MAY 26, 1995) (Revised 7/13/95)

FINANCE

USPS RESPONSE TO PRC ORDER 1224 QUESTION NO. 2 ATTACHMENT B

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III. FIRST-CLASS MAIL SERVICE STANDARD ACHIEVEMENT MAIL

ODIS QUARTERLY STATISTICS POSTAL QUARTER 3, FY 1995

TABLE 9 - FIRST-CLASS MAIL SERVICE COMMITMENT ACHIEVEMENT-STAMPED MAIL

	£Λ	CH AREA AS ORIG	IN	EACH	TION	COMPOSITE	
	WITHIN OVERNIGHT COMMITMENT	DELIVERED WITHIN TWD-DAY COMMIIMENT	DELIVERED WITHIN THREE-DAY COMMITMENT	DELIVERED WITHIN DVERNIGHT COMMITMENT	PERCENT DELIVERED WITHIN TWO-DAY COMMITMENT	DELIVERED WITHIN THREE-DAY COMMITMENT	COMPOSITE * PERCENT DELIVERED WITHIN ALL COMMITMENT
NEW YORK METRO	94	90	1 6	93	91	91	91.9
NORTHEAST	96	88	90	96	88	83	92.5
ALLEGUENY	94	ឧ។	90	94	87	92	91.5
MID-ATEANTIC	93	86	89	94	87	87	90.7
WESTERN	96	85	R3 ⁻	96	88	87	90.9
PACIFIC	96	93	89	96	89	87	93.3
SOUTUWEST	95	89	87	95	92	89	92.0
SOUTHEAST	95	86	88	95	88	90	91.9
MIDWEST	94	87	87	94	87	86	90.7
GREAT LAKES	95	86	90	95	83	8,9	90.6
NATION	95	88	88	95	88	88	91.6

^{*} THE COMPOSITE PERCENT REFLECTS THE COMBINED ACHIEVEMENT OF THE OVERNIGHT, TWO-DAY, AND THREE-DAY COMMITMENTS BY AREA FOR MAIL ORIGINATING AND DESTINATING IN THAT AREA.

DATA BASED ON CORRECTLY ZIP-CODED, STAMPED FIRST-CLASS LETTERS, CARDS, IPPS, AND FLATS GOING TO THE DESIGNATED SERVICE COMMITMENT AREA. OVERNIGHT AND TWO-DAY COMMITMENT MAIL MUST HAVE A "QUALIFIED" POSIMARK (AN AM OR A PM IN THE CANCELLATION). NON-QUALIFIED ONE-DAY AREA MAIL FALLS UNDER THE TWO-DAY COMMITMENT; NON-QUALIFIED TWO-DAY AREA MAIL FALLS UNDER THE THREE-DAY COMMITMENT.

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ORIGIN-DESTINATION INFORMATION SYSTEM
QUARTERLY STATISTICS REPORT
POSTAL QUARTER II, PFY 1995
(DECEMBER 10, 1994 - MARCH 3, 1995)

FINANCE

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	4	First-Class Mail Originating Service Standard Achievement - Metered (Table 11)	16
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III. FIRST-CLASS MAIL SERVICE STANDARD ACHIEVEMENT MAIL

REPORT HSB634P1

ODIS QUARTERLY STATISTICS POSTAL QUARTER 2. FY 1995

TABLE 9 - FIRST-CLASS MAIL SERVICE STANDARD ACHIEVEMENT-STAMPED MAIL

	EA	CH AREA AS ORIU	ITN	EACH	AREA AS DESTINA	TION			
	PERCENT DELIVERED WITHIN OVERNIGHT STANDARD	PERCENT DELIVERED WITHIN TWO-DAY STANDARD	PERCENT DELIVERED WITHIN THREE-DAY STANDARD	PERCENT DELIVERED WITHIN OVERNIGHT STANDARD	PERCENT DELIVERED WITHIN TWO-DAY STANDARD	PERCENT DELIVERED WITHIN THREE-DAY STANDARD	COMPOSITE * PERCENT DELIVERED WITHIN ALL STANDARDS		
NEW YORK METRO	90	84	85	90	83	82	86.7		
NORTHEAST	93	82	82	93	8 1	74	87.8		
ALLEGHENY	92	84	82	92	84	84	87.9		
MID-ATLANTIC	92	81	87	92	8.1	81	86.8		
WESTERN	94	79	75	94	8 1	11	85.5		
PACIFIC	94	87	80	94	83	72	88.7		
SOUTHWEST	94	85	79	94	86	85	89,1		
SOUTHEAST	94	8 1	82	94	85	84	87.9		
MIDWEST	92	83	77	92	85	80	86.6		
GREAT LAKES	91	82	80	91	78	81	85.2		
NOTTAN	93	83	80	93	83	80	87.2		

^{*} THE COMPOSITE PERCENT REFLECTS THE COMBINED ACHIEVEMENT OF THE OVERNIGHT, TWO-DAY, AND THREE-DAY STANDARDS BY AREA FOR MAIL ORIGINATING AND DESTINATING IN THAT AREA.

DATA BASED ON CORRECTLY ZIP-CODED. STAMPED FIRST-CLASS LETTERS, CARDS, IPPS, AND FLATS GOING TO THE DESIGNATED SERVICE STANDARD AREA. OVERNIGHT AND TWO-DAY STANDARD MAIL MUST HAVE A "QUALIFIED" POSTMARK (AN AM OR A PM IN THE CANCELLATION). NON-QUALIFIED ONE-DAY AREA MAIL FALLS UNDER THE TWO-DAY STANDARD: NON-QUALIFIED TWO-DAY AREA MAIL FALLS UNDER THE THREE-DAY STANDARD.

DUPLICATE ORIGINAL

BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1 29

REQUEST OF THE UNITED STATES POSTAL SERVICE FOR A RECOMMENDED DECISION ON CHANGES IN RATES OF POSTAGE AND FEES FOR POSTAL SERVICES

UNITED STATES POSTAL SERVICE By:

Daniel J. Foucheaux, Jr. Chief Counsel

Anthony F. Alverno Richard T. Cooper Susan M. Duchek Kenneth N. Hollies Eric P. Koetting Scott L. Reiter Anne B. Reynolds David H. Rubin Michael T. Tidwell

Its Attorneys

475 L'Enfant Plaza West, S.W. Room 6536 Washington, D.C. 20260-1145

Documents relating to this request may be served upon Mr. Foucheaux at the above address.

USPS RESPONSE TO PRC ORDER 1224 QUESTION NO. 2 ATTACHMENT C **RULE: 54(n)**

REQUIREMENT:

This rule requires identification of any performance goals which have been established for the classes and subclasses of mail. The Request must identify the achieved levels of service for those classes and subclasses of mail and mail services for which performance goals have been set.

The currently effective service standards for mail are shown below.

UNITED STATES POSTAL SERVICE Service Commitments (ZIP Coded mail only)

Mail Class	Over- night	2 nd Day	grd Day	4th Day	5th Day	6 th Day	7 th Day	gth Day	9 th Day	10 th Day	Notes
Express Mail											Directories : available at your local post offices.
Priority Mali											Primarily a two-day product
First-Class Mail					l.	;	: .				11 ounces or less.
Second Class							4				Surface preferential
Fourth Class	24 W							Electron green	W. S. O.		See local BMC Manager for Parcel Post Commitments:
Third Class	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Taracas and					ATEC			Mail entered at the Destination 2 P&DC has a 2 & 3 day commitment.

Achieved levels of performance are shown in the Origin-Destination Information System (ODIS) -- Quarterly Statistics Report, prepared by the Postal Service.

Question No. 3.

3

For those areas where the USPS Service Commitment software is made available, does the Postal Service have reliable information on the extent that it meets its:

- (a) "operational objective" for Standard (A) Mail.
- (b) "service standard' for Standard(A) Mail.
- (c) "service commitment" for Standard (A) Mail.

If yes, please provide that information.

RESPONSE:

(a-c) As indicated in response to Question No. 1, the software is made available on a nationwide basis. However, the Postal Service does <u>not</u> maintain any data system which provides a basis for estimating the percentage of Standard (A) Mail (nationwide or otherwise) delivered within the "operational objective" or "service standard" or "service commitment" for such mail.

Under the terms of its ADVANCE Notification and Tracking System, the Postal Service does provide confidential mailer-specific delivery notification and tracking information to participating senders of Standard (A) mailings (of 500,000 or more pieces) with requested in-home delivery windows. This information provides information (confidential to that mailer) which permits the mailer and the Postal Service to determine the

RESPONSE to Question No. 3 (page 2):

extent to which delivery conformed to the requested in-home delivery window.

ADVANCE does not include information about the date on which a particular mailing was deposited in the mail stream. Accordingly, it does not report the degree to which a participating mailing was delivered from origin to destination within the service commitment for that mailing.

Nevertheless, the foregoing description of ADVANCE is provided only for the purpose of ensuring, in the absence of any Standard (A) Mail service commitment achievement data, that Complainant is aware of a related information system which was the subject of interest in Docket No. R97-1. See, ADVANCE Notification and Monitoring System Technical Guide (Version 2.1, August 1996), Docket No. R97-1, Library Reference USPS-H-234 [attached to the copy of this response served on Complainant].

CERTIFICATE OF SERVICE

I hereby certify that, in accordance with section 12 of the Rules of Practice, I have this day served the foregoing document upon:

Bonnie L. Wilkins, Esq. Kennedy & Graven, Chartered 470 Pillsbury Center 200 South 6th Street Minneapolis, Minnesota 55402

Michael T. Tidwel

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268-2998/ FAX: -5402 January 8, 1999